

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

April 2003

Summary

Collections in the Commonwealth Transportation Fund increased by a solid 6.3 percent in April. Most of the monthly increase was attributable to a surge in motor vehicle sales and motor vehicle licenses. Through the first ten months of the fiscal year, growth is up 0.6 percent, considerably behind the official forecast of 3.7 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections were flat in April, returning to the six-month trend of sluggish growth that began in October. Annual collections are up 1.8 percent, lagging the official forecast by 1.3 percentage points. The outlook for gasoline consumption over the next two months is mixed. Prices for gasoline may ease somewhat in the short-run, but increased seasonal demand during the summer driving season and low crude oil stocks will lead to rising prices. However, demand for gasoline is expected to grow over the coming months if more people shun air travel and opt to drive to vacation locations.

Motor Vehicle Sales and Use Tax

Collections in this source surged in April, increasing by 17.6 percent. April marks the first time in six months that monthly collections grew more than 1.1 percent. Year-to-date collections are up 1.2 percent, well behind the 4.5 percent growth expected in the official forecast. Certain factors may continue to support sales, such as rising consumer confidence, now that uncertainty about the war with Iraq is over. In addition, affordability remains at a 25-year high. These factors are offset by the enduring weakness in the U.S. economy. The labor market is expected to give little succor to spent-up and overextended consumers. The U.S. job market contracted again in April and is not expected to turn around until 2004.

State Retail Sales Tax

The transportation portion of the state retail sales tax was flat in April, growing by only 0.3 percent. Collections in this source are down 4.5 percent in fiscal year 2003 as the July TTF retail sales tax were retained in the general fund in June.

Motor Vehicle Licenses

Motor vehicle registration fee collections bounced back strongly in April, increasing by 39.9 percent. Year-to-date growth is now 9.4 percent, well behind the official forecast of 20.8 percent growth.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2002 and 2003
(Dollars in Thousands)

| Revenue | FY 2003 Estimate | As a % of Total Fund | April | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|-----------------------------------|---------------------|----------------------------|------------------|------------------|-------------|--------------------|--------------------|-------------|---|
| | | | FY 2003 | FY 2002 | % Change | FY 2003 | FY 2002 | % Change | |
| Motor Fuel Taxes | \$819,100 | 28.96 | \$57,252 | \$57,260 | 0.0 | \$601,809 | \$591,265 | 1.8 | 3.1 |
| Priority Transportation Fund | 20,000 | 0.71 | 2,000 | 2,000 | 0.0 | 16,000 | 16,000 | 0.0 | 0.0 |
| Motor Vehicle Sales and Use Tax | 556,300 | 19.67 | 51,529 | 43,830 | 17.6 | 442,733 | 437,375 | 1.2 | 4.5 |
| State Sales and Use Tax | 381,100 | 13.47 | 32,635 | 32,531 | 0.3 | 309,446 | 323,873 | (4.5) | (1.8) |
| Motor Vehicle License Fees | 175,300 | 6.19 | 15,175 | 10,845 | 39.9 | 128,936 | 117,899 | 9.4 | 20.8 |
| International Registration Plan | 61,300 | 2.17 | 5,261 | 5,679 | (7.4) | 43,434 | 47,174 | (7.9) | 3.5 |
| Interest Earnings | 12,400 | 0.44 | 4,096 | 5,557 | (26.3) | 14,624 | 14,014 | 4.4 | (11.6) |
| Misc. Taxes, Fees, and Revenues | 23,600 | 0.84 | 1,803 | 2,025 | (11.0) | 20,217 | 19,460 | 3.9 | 3.5 |
| Total State Taxes and Fees | \$2,049,100 | 72.45 | \$169,751 | \$159,727 | 6.3 | \$1,577,199 | \$1,567,060 | 0.6 | 3.7 |

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2002 and 2003
(Dollars in Thousands)

| Revenue | FY 2003 Estimate | As a % of Total Fund | April | | | Year-To-Date | | | % Annual Growth Required By Est |
|--|---------------------|----------------------------|------------------|------------------|---------------|--------------------|--------------------|---------------|--|
| | | | FY 2003 | FY 2002 | % Change | FY 2003 | FY 2002 | % Change | |
| HIGHWAY MAINTENANCE AND OPERATING FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Road Tax) | \$699,200 | 24.72 | \$47,681 | \$48,101 | (0.9) | \$511,565 | \$502,467 | 1.8 | 3.4 |
| Motor Vehicle Sales and Use Tax | 357,600 | 12.64 | 32,984 | 28,123 | 17.3 | 284,005 | 281,787 | 0.8 | 4.6 |
| Motor Vehicle License Fees | 151,100 | 5.34 | 13,261 | 9,472 | 40.0 | 113,089 | 102,652 | 10.2 | 20.1 |
| International Registration Plan | 61,300 | 2.17 | 5,261 | 5,679 | (7.4) | 43,434 | 47,174 | (7.9) | 3.5 |
| Misc. Taxes, Fees, and Revenues | 23,600 | 0.84 | 1,803 | 2,025 | (11.0) | 20,217 | 19,460 | 3.9 | 3.5 |
| Total State Taxes and Fees | \$1,292,800 | 45.71 | \$100,990 | \$93,400 | 8.1 | \$972,310 | \$953,540 | 2.0 | 5.4 |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$0 | 0.00 | \$1,286 | \$919 | 39.9 | \$11,839 | \$11,576 | 2.3 | (100.0) |
| Transfer (to) / from Transportation Trust Fund | 147,200 | 5.21 | 35,000 | 0 | - | 137,271 | 0 | - | # |
| Total Highway Maintenance and Operating Fund | \$1,440,000 | 50.92 | \$137,276 | \$94,319 | 45.5 | \$1,121,420 | \$965,116 | 16.2 | 17.3 |
| TRANSPORTATION TRUST FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Aviation & Road Taxes) | \$119,900 | 4.24 | \$9,571 | \$9,159 | 4.5 | \$90,244 | \$88,798 | 1.6 | 1.8 |
| Priority Transportation Fund | 20,000 | 0.71 | 2,000 | 2,000 | 0.0 | 16,000 | 16,000 | 0.0 | 0.0 |
| Motor Vehicle Sales and Use Tax (Includes Rental Tax) | 198,700 | 7.03 | 18,545 | 15,707 | 18.1 | 158,728 | 155,588 | 2.0 | 4.5 |
| State Sales and Use Tax | 381,100 | 13.47 | 32,635 | 32,531 | 0.3 | 309,446 | 323,873 | (4.5) | (1.8) |
| Motor Vehicle License Fees | 24,200 | 0.85 | 1,914 | 1,373 | 39.4 | 15,847 | 15,247 | 3.9 | 25.6 |
| Interest Earnings | 12,400 | 0.44 | 4,096 | 5,557 | (26.3) | 14,624 | 14,014 | 4.4 | (11.6) |
| Total State Taxes and Fees | \$756,300 | 26.74 | \$68,761 | \$66,327 | 3.7 | \$604,889 | \$613,520 | (1.4) | 0.9 |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$669,400 | 23.67 | \$80,065 | \$72,768 | 10.0 | \$582,316 | \$832,862 | (30.1) | (29.4) |
| Receipts from Cities/Counties | 37,500 | 1.33 | 2,470 | 3,753 | (34.2) | 25,766 | 30,988 | (16.9) | 10.4 |
| Toll Revenues (Includes Route 28) | 72,200 | 2.55 | 3,976 | 4,535 | (12.3) | 46,386 | 53,231 | (12.9) | 14.5 |
| Miscellaneous Revenues | 0 | 0.00 | 856 | 843 | 1.5 | 14,106 | 12,949 | 8.9 | (100.0) |
| Total Other Revenues | \$779,100 | 27.55 | \$87,367 | \$81,899 | 6.7 | \$668,574 | \$930,030 | (28.1) | (26.7) |
| Transfer (to) / from Highway Maintenance and Operating Fund | (\$147,200) | (5.21) | (\$35,000) | \$0 | - | (\$137,271) | \$0 | - | # |
| Total Transportation Trust Fund | \$1,388,200 | 49.08 | \$121,128 | \$148,226 | (18.3) | \$1,136,192 | \$1,543,550 | (26.4) | (24.0) |
| TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND | | | | | | | | | |
| | \$2,828,200 | 100.00 | \$258,404 | \$242,545 | 6.5 | \$2,257,612 | \$2,508,666 | (10.0) | (7.4) |

Percentage is greater than 1,000%.